

CHRB NEWS & REVIEW

NEWSLETTER OF THE CALIFORNIA HORSE RACING BOARD

MARCH, 2002

PUBLISHED QUARTERLY

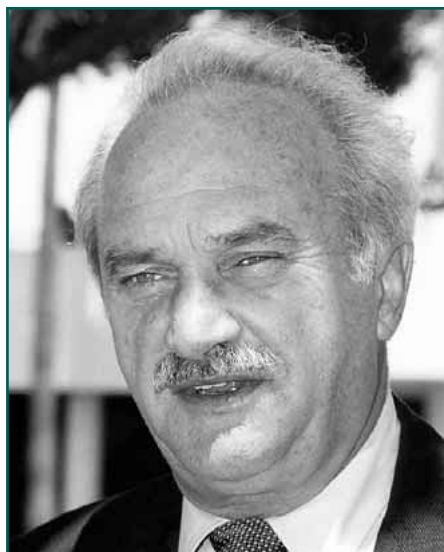
ISSUE 24

BILL BIANCO: THE PEOPLE'S CHOICE

William Bianco does not have e-mail. He prefers to communicate in person, or at least speak with others on the phone. He thinks e-mail is too impersonal.

And when he goes to the racetrack, he prefers to place his wagers with pari-mutuel clerks, not through self-service terminals. He likes the interaction, the human contact.

This style helped him build his company, Kinetic Systems, Inc. from five employees in 1970 to 5,000 when he sold the business in 1998. Throughout those 28 years, he cared about employees, strove to know them as individuals, and cultivated personal relationships with customers.



WILLIAM BIANCO

"I made it a point to see the people who helped our business grow," explained Bianco. "In a service business, if you don't stay in touch with your customers and your people, you'll soon be out of business. And the phone's not good enough. I like to look at the face of the person I'm talking to. You can look into their eyes and tell if they're pulling your leg or not. This meant traveling about 300 days of the year. It seemed like every day I was either getting on or off an airplane somewhere in the world."

Since Governor Gray Davis appointed Bianco to the California

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MESSAGE FROM THE EXECUTIVE DIRECTOR

This should go down as a milestone year in California horse racing, largely due to wagering and employee-protection provisions of AB 471, a bill passed by the Legislature and signed into law by Governor Gray Davis, effective January 1, 2002.

With extraordinary speed, the CHRB commissioners and staff developed comprehensive regulations authorizing Advance Deposit Wagering. Account holders now can wager from their homes.

Regulations to establish procedures for union organization among workers in the stable areas and improve housing conditions at racetracks are nearing completion.

A regulation establishing a threshold level for the therapeutic medication clenbuterol took effect January 30. A regulation allowing paymasters to automatically deduct 10% of winners' shares of purses for their trainers took effect March 2. And a regulation authorizing advertising on jockeys' apparel, owner's silks, and horse saddle-cloths will be implemented in April.

Finally, another new law that took effect January 1 directs Class 1, 2, and 3 medication violations to administrative law judges, unless both parties agree to let the stewards hear the case.

There is more to do, and I solicit the horse-racing industry's cooperation and support, but I firmly believe that no other racing jurisdiction has so many changes taking place so quickly for the betterment of workers, horsemen, and the wagering public.

I am proud that the racing commissioners and staff are so proactive. I am proud to be part of a Board, a state government, and an industry that is accomplishing so much by working together.

Roy C. Wood, Jr.
Roy C. Wood, Jr.



IN THE GOLDEN STATE

REGULATORY UPDATE

The CHRB has approved or is in the process of approving and/or implementing a large number of regulations, laws, and policies affecting many segments of the horse-racing industry, including fans, horsemen, jockeys, and racetrack employees. The changes involve a wide range of programs, procedures, requirements, and services. What follows is a description of each, along with some pertinent information.

ADVANCE DEPOSIT WAGERING

Last year the Legislature approved and Governor Gray Davis signed AB 471, effective January 1, 2002, authorizing Advance Deposit Wagering (ADW), so that bettors in California and elsewhere can establish accounts for wagering on horse racing by telephone and over the Internet.

The CHRB quickly developed and approved 14 regulations setting up an application process for ADW operators, establishing security protocols, and meeting other requirements of the new law, such as ensuring that persons under 18 cannot open accounts and dealing with the issue of problem or compulsive gambling.

On January 24, the Board approved applications by Xpressbet and TVG to operate ADW systems. On February 21, the Board approved a third operator, Youbet.com.

All ADW wagers are processed by Autotote and merged with on-track wagering pools, so pari-mutuel payoffs are the same. This requires contracts between the racing associations and the ADW operators. Xpressbet has contracts with Santa Anita Park (winter meet), Golden Gate Fields, Bay Meadows, and Capitol Racing (harness) at Cal Expo.

TVG has contracts with Los Alamitos, Hollywood Park, Del Mar, Fairplex, and the Oak Tree meet at Santa Anita. Youbet has a sub-licensing agreement with TVG giving it access to the same tracks as TVG except for Fairplex. All three operators also offer wagering on races at various out-of-state locations.

Regulations also require operators to have contracts with horsemen's groups. TVG has contracted with quarter horsemen but not yet with thoroughbred horsemen. Xpressbet and Youbet have submitted the required contracts.

TVG (888-752-9884) www.tvgnetwork.com

Xpressbet (800-523-2765) www.xpressbet.com

Youbet (888-968-2388) www.youbet.com

Xpressbet and TVG disseminate race signals over the Internet and by satellite transmission. Both companies hope to reach more homes through cable and increased satellite options. Youbet is strictly an Internet disseminator. All three companies accept wagers over the Internet and by telephone.

ADVERTISING

The CHRB and racetrack stewards are developing procedures for a regulation approved by the Board permitting advertising on jockey attire, owner silks, and track saddlecloths during a race.

The procedures, which will require that a copy of proposed advertisements be submitted to the stewards for review, should be in place for the start of the Bay Meadows meet on April 3 and for Hollywood Park, which opens April 24.

Advertisements on jockey clothing are limited to a maximum of 32 square inches on each thigh of the pants on the outer sides between the hip and knee and 10 square inches on the rear at the base of the spine, a maximum of 24 square inches on boots and leggings on the outside of each nearest the top of the boot, and a maximum of 6 square inches on the front center in the neck area.

Advertisements on owner silks are limited to a maximum of 32 square inches on the chest area and a maximum of 1.5 inches by 4 inches on each collar. Advertisements on track saddlecloths are not limited as to size and placement.

UNION ORGANIZING

AB 471 also requires the CHRB to establish an orderly procedure for workers in racetrack stable areas to exercise their statutory rights to organize a labor union and participate in collective bargaining, and requires trainers to keep accurate payroll records.

The CHRB has been assisting other state and federal agencies in the enforcement of labor laws, especially as they relate to payroll records.

The Board is in the process of developing regulations governing union organization. Among other things, the regulations will guarantee union representatives access to stable areas in order to meet with backstretch workers at locations designated for organizing activities.

BACKSTRETCH HOUSING

AB 471 also requires the Board to adopt emergency regulations, followed by permanent regulations, to establish employee-housing standards at licensed racetracks. The emergency regulations will be on the April 25 agenda for adoption by the Board.

As being drafted, the emergency regulations are not intended to supersede enforcement by any local jurisdiction. Racetracks must comply with both the CHRB regulations and local housing ordinances.

The regulations do not require racetracks to provide employee housing. They do set standards for racetracks that choose to provide such housing.

The CHRB will conduct annual inspections, preferably in conjunction with local housing authorities, for compliance with the housing regulations.

AB 1093

Another new law (AB 1093) requires the CHRB to refer cases involving Class 1, 2, and 3 medication violations directly to administrative law judges (ALJs) unless both the accused licensee and the Board agree to allow the stewards to hear the case.

Historically, the stewards have conducted initial administrative hearings on all cases, and ALJs have only been involved with appeals. Now, absent an agreement between the parties, the process will bypass the stewards in Class 1, 2, and 3 cases, which are the most serious cases.

The stewards will continue to handle the majority of medication violations because most cases involve lesser classes of drugs that do not have the potential to seriously affect the outcome of a race.

ALJs, under the supervision of the Office of Administrative Hearings, will be required to conduct hearings within 90 days of the filing of accusations against accused licensees. This should expedite the legal process. The ALJs will make recommended decisions for the racing commissioners.

PAYMASTERS

The Board approved a regulation requiring the paymaster of purses to deduct and deposit into the trainer's account 10 percent of the purse earned on any horse that finishes first, second or third at a thoroughbred race meeting. It will become effective with the opening of the Bay Meadows and Hollywood Park meetings in April.

Horse owners may prevent the paymaster of purses from deducting the 10 percent by completing a Notification of Exclusion form and submitting a copy to the paymaster of purses at each racetrack where they will run horses. The completed form may be faxed to the paymaster of purses.

The form will be available at CHRB offices, Thoroughbred Owners of California offices, and paymaster of purses offices at thoroughbred race meetings. Form 134 also will be available from the CHRB Website (chrb.ca.gov). Just follow the links from "General" to "Forms for Downloading." Racetrack addresses also are listed on the Website.

FAX NUMBERS FOR PAYMASTERS

Bay Meadows 650-573-4677

Hollywood Park 310-677-4103

Golden Gate 510-559-7599

Del Mar 858-792-4373

Santa Anita 626-821-1509

STABLE AREA SECURITY

While stable area security always has been a high priority for the CHRB, security efforts were increased even more following October 10 incidents involving the placement of sponges in the nostrils of racehorses, presumably to hinder their performance. Although no new sponging cases have been reported recently, security remains tight.

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CALENDAR

MARCH

28 – CHRB monthly meeting in Arcadia.

APRIL

**3 – Bay Meadows thoroughbred meet opens.
24 – Hollywood Park thoroughbred meet opens.
25 – CHRB monthly meeting in Inglewood.**

BE OUR GUEST...



The California Horse Racing Board believes the best way to regulate an industry is to be fully informed. The CHRB regularly solicits input from the public and the horse-racing industry, and this guest editorial page is one more forum for that purpose.

This guest editorial was submitted by Nancy C. Kelly, director of development for the Grayson- Jockey Club Research Foundation and executive director of The Jockey Club Foundation. She can be reached at (212) 521-5305 or nkelly@jockeyclub.com by e-mail.

The Jockey Club's "family of companies" includes two charitable foundations – the Grayson-Jockey Club Research Foundation and The Jockey Club Foundation – each of which has strong ties to the thoroughbred racing community in California.

One foundation helps horses; the other helps people who work in the horse-racing industry. Because people throughout the horse-racing industry understandably often confuse the two, I would like to take this opportunity to explain a little bit about each of them.

The Grayson-Jockey Club Research Foundation was formed in 1989 when two organizations that funded equine medical research, the Grayson Foundation and The Jockey Club Research Foundation, were merged. Since then, this foundation has distributed more than \$6 million to researchers throughout the country seeking to enhance the health and welfare of thoroughbreds.

In 2001, this foundation funded approximately 17 projects and distributed more than \$800,000 for those studies. We hope to distribute a similar amount this year. Our research advisory committee, headed by the prominent veterinarian Dr. Larry Bramlage, recently held its annual meeting in Texas to rate proposed studies to be funded in 2002.

Among last year's projects were studies on immunology, infertility, colic, new equine vaccination technology, condylar fractures, and the relationship between toe grabs and the risk for injury. The last two are being conducted under the auspices of Dr. Susan Stover at the University of California-Davis' J. D. Wheat Veterinary Orthopedic Research Laboratory. These projects are

designed to delineate the connection between the type of horseshoe worn, the incidence of suspensory ligament damage, and an increased risk for catastrophic fractures in the foreleg of racing thoroughbreds.

UC-Davis has received more than \$1 million in research funding from the Grayson-Jockey Club Research Foundation over the past two decades. Joe Harper and Dr. Jack Robbins, well-known members of the California racing community, both serve on our board of directors.

You do not hear quite as much about the good work of The Jockey Club Foundation, but that's because our assistance is provided on a confidential basis, so as not to embarrass any of the needy people we are helping. This foundation distributed nearly \$1 million in 2001 to individuals in the racing industry and their families.

The financial relief comes in the form of a monthly assistance program or in lump-sum grants. Through the years, we have assisted with medical bills, funerals, wheelchairs, rent and living expenses, and voice-activated computers, among many other things.

In the past few years, we have made a concerted effort to raise awareness of The Jockey Club Foundation among racetrack chaplains, since they usually know about many of the unfortunate members of the industry. In California, we have worked with chaplains Sergio Samonet and David Corrales on several occasions.

I should point out that our assistance is not limited to backstretch workers. Any member of the racing industry in good standing is eligible for aid from the foundation.

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THE EQUINE PRESCRIPTION

FROM THE DESK OF THE CHRB
EQUINE MEDICAL DIRECTOR



DR. RON JENSEN

Drug detection and control is an important part of the regulation of horse racing. A good program identifies substances that may affect performance, identifies substances that may be harmful to the health and welfare of horses, and supports modern veterinary care and treatment of horses. A good program also stays scientifically current.

This is a complex science. New technology and methodologies have significantly increased the sensitivity of testing for the detection of illegal substances. This is important because some drugs are very potent at low doses. However, this improved sensitivity also has increased the detection of legitimate therapeutic medications at low levels.

Regulators must find ways to detect drugs that have the potential to affect performance, but they must do so without discouraging the use of proper therapeutic medications that promote the health and welfare of horses. One way is to establish decision levels for certain medications based on sound scientific evidence.

Decision levels sometime are referred to as threshold levels, action levels, or regulatory levels. Our colleagues in many international jurisdictions refer to decision levels as reporting levels. By whatever name, we are referring to a quantitative level in a post-race urine sample below which there is little possibility of that medication having a pharmacological effect.

Decision levels are not established so that every horse can race under medication. Decision levels are established so that necessary medications can be administered to horses that need them while exercising and preparing to race. If a trace amount (below the decision level) lingers in the horse's system and is detected in the post-race urine sample, it will not trigger an inadvertent positive.

CLENBUTEROL ADDED TO LIST

The list of decision-level medications is not static. The existing levels can be modified and new medications can be added. The CHRB recently added the therapeutic medication clenbuterol to the list of medications that have a decision level. However, any modifications or additions must be based on good science, and good science requires time and money. Establishing decision levels is not an easy task, and it is imperative that decision levels be supported by proper research.

It is also helpful if the research suggests a proper withdrawal time for the medication – a timetable indicating how long before a race a medication should stop being administered to allow sufficient time for it to clear the system or at least drop below the decision level.

While the CHRB was one of the first jurisdictions to develop and utilize decision levels in medication rules, the matter is now receiving national and international attention. Several racing organizations, including the National Horsemen's Benevolent and Protective Association,

Thoroughbred Owners of California, Thoroughbred Owners and Breeders Association, California Thoroughbred Trainers, and Thoroughbred Horsemen's Association, have developed recommendations for medication rules and drug testing. Common themes in all of these recommendations are uniform medication rules, uniform testing, and the establishment of decision levels and withdrawal times for certain medications.

These same themes were emphasized at the recent American Association of Equine Practitioners Medication Summit. Racing participants and representatives of racing organiza-

“Decision levels are not established so that every horse can race under medication. Decision levels are established so that necessary medications can be administered to horses that need them while exercising and preparing to race. If a trace amount (below the decision level) lingers in the horse's system and is detected in the post-race urine sample, it will not trigger an inadvertent positive.”

Dr. Ron Jensen

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CALIFORNIA STEWARD PETE PEDERSEN:

Pete Pedersen, at age 81 with more than 50 years in horse racing, is the senior steward in California and, we imagine, the entire world.

But Pedersen has more than just time on the job to his credit. He is widely respected for his sound judgment, moral courage, and compassion.

The horse-racing world recently recognized these qualities and his achievements by presenting Pedersen with a special Eclipse Award of Merit honoring his lifetime contributions to the sport.

True to his nature, Pedersen acknowledged the contributions of others who helped shape his career, including some of the stewards he has served with at California racetracks.

"I've been lucky," he said over a cup of coffee in the backstretch cafeteria at Santa Anita Park early one morning. "I've been helped by so many officials. They've saved my life so many times."

Nothing testifies more to the stature of Pedersen than the high esteem he has earned from the rank and file of the horse-racing industry. The conversation in the cafeteria was frequently interrupted by grooms and trainers and hotwalkers who paused to pay their respects with a heartfelt "Howdy, judge" or polite "Good morning, Mr. Pedersen."

THE LONG AND WINDING ROAD

It's been a long, eventful journey to that kitchen and his position of reverence in the racing world, from Pedersen's birth on July 4, 1920, in Seattle, very close to where Longacres racetrack would eventually be opened in 1933. He shared some of that history with us.

"Racing has been a part of my life for as long as I can remember," he said. "During the Depression when they were building Longacres, I did a little work helping lift lumber around the place. Later, I did what kids do. I did a little work around the backside, walked hots. My first real paying job was with the Seattle Post Intelligencer. I ran the teletype at the racetrack.

"I owe my college education to horse racing. I worked at Longacres during the summer, and I won a nice bet, all of which helped me get through the University of Washington.

"I was a flier in the Navy Air Corps during World War II. No heroic stories to tell. Those were the only years I was away from the racetrack for any length of time, but even then

I visited racetracks when I was on leave."

Anyone who has read articles by Pedersen that have been published in newspapers, magazines, and horse-racing publications throughout the country knows that he is an accomplished and gifted writer. He briefly considered a career in

journalism after the war, and he picked up some checks freelancing. But with a family to raise, he looked for something steadier and higher paying.

"I made up my mind that I was going to be in horse racing, and it looked to me like being an official would be best," Pedersen explained. "Of course, I had to work my way up the ladder. There were some political appointments to the stewards' stand, but I wasn't lucky enough to be one of them. I had to wait a long time. There is very little attrition in the stand.

"Back then you worked a lot of jobs. Every time I asked for a raise, they gave me another job to justify it. At one time I was both a steward and publicity director, which wasn't easy. I would write a story about a jock in the morning, then suspend him in the afternoon. I had to be diplo-

matic and as fair as I possibly could be in order to avoid compromising either position."

MANY PEOPLE TO THANK

Even a talented, hard worker needs a break now and then. Along the way, Pedersen met people who gave him opportunities and shared their knowledge and experience. His thoughts drifted back through the years as he rattled off their names, expressing his appreciation for their contributions to his life and career. First on the list was the legendary Joe Gottstein, who built and operated Longacres for half a century.

"Despite all the stories about Joe, he never once asked me – or any other steward that I'm aware of – to do anything improper," said Pedersen. "He once told me, just do your job and give me an even break. Joe was the biggest influence. He kept me going.

"Oscar Otis was the lead writer for the Daily Racing Form and he wrote for the Los Angeles Times and the San Francisco Chronicle. He brought me to California, and I had some writing opportunities through him.

"R.E. (Lanny) Leighninger was an early publicity director at Hollywood Park and the chief publicist in the Phar Lap days at Caliente. He became a steward, but his true gift was



PETE PEDERSEN

A MAN OF NOBILITY AND GRACE

promotion. The romance of the turf, that was Lanny. I've never known anybody who was better at it. Oscar brought me to California, and Lanny helped me along the way.

"Bill Kyne, who ran Portland Meadows and Bay Meadows, was another one who gave me a chance. Bill was an incredible fellow. He was one of the old-time promoters. You don't see people like him anymore.

"George Schilling was a famous northern steward. He once worked in three countries at the same time, in the same week. He started out in Canada, then came down to Bay Meadows on Saturday, then Caliente on Sunday. I was a placing judge under him. When he retired, I got some of his jobs. George had been a racing secretary, so he had background and experience. He loved the game. He knew the game inside and out, more than anyone else I ever knew. People liked George very much. He was a great outgoing fellow. He would fine somebody, then follow him outside and give him enough money to pay the fine. He told me once, this job looks easy, but it isn't. Well, George made it look easy.

"So many people to thank...Jimmy Kilroe, Lou Eilken, Carleton Burke, the director of racing, he gave me a break at Santa Anita. He got me an official's job. It was incredible to me. Very important. Don Smith, the president of Del Mar, was a very good manager. He gave me a shot down there and was very supportive.

"Alfred Shelhamer, a former jockey who became a steward, I can't say enough about," Pedersen said with a shake of the head for emphasis. "Working beside him was a privilege I can't even begin to acknowledge. He was a man of principle and conscience. He was put to the test many times, and he always passed the test.

"Working beside (Alfred Shelhamer) was a privilege..."

"Understand that jocks have a fraternity. Back in 1945, Shelly was injured in a race. Five horses went down. Johnny Adams was on one of them. Johnny ran over and literally lifted that horse off of Shelly. He might have saved his life. Like all of the other ex-jocks who became stewards, it was always difficult for Shelly to punish a jock.

"Shelly would ask himself, what do you do, protect the jock or be an official? He answered that question unequivocally early on when Bill Kyne called him and asked what's going on here? Our top three jocks are suspended. People come out to see those jocks. Shelly said, 'Mr. Kyne, do you want the best horse to win or the luckiest horse?' Kyne said he wanted the best horse. Shelly said, 'Well, that's why the jocks have been suspended.' Kyne accepted that and was a

"We become a part of everybody we work with. There's no question about it. I happened to be associated with, mostly without exception, many dedicated professionals."

Pete Pedersen

booster of Shelly's afterwards. Shelly did what was right."

After a meditative pause, Pedersen continued, "I wouldn't want to try to mention all of the people who influenced me and helped me along the way because I would leave somebody out who should be included, but I did want to mention Shelly. I couldn't not mention Shelly."

The job itself has changed over the years, Pedersen explained, and he has seen a lot of racing commissioners come and go.

"I would say the Racing Board has been very supportive," he said. "I'm sure they didn't agree with a lot of the things I've done, but they've never been anything but fair. It's important to us that the Board not interfere with the process. They have the capacity to do that, but they've always resisted. They never once came in and told us how to make a ruling, though I'm sure at many times they wanted to."

And what lessons has Pedersen learned from all of these relationships and experiences? Asked to summarize his career, as best he could, he admonished, "You don't flaunt your authority. You put yourself into the other person's shoes. You accept that people make careless mistakes."

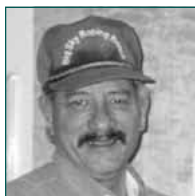
He concluded with the remark, "We become a part of everybody we work with. There's no question about it. I happened to be associated with, mostly without exception, many dedicated professionals. If the horse-racing industry sees fit to honor me and my career with this award, it's really an honor for the people I've worked with and their influences on my life."



Comings and Goings at the CHRB

Senior Investigator Kenneth Kirkman received a service plaque and gold watch in January to commemorate 25 years of state service.

Kirkman began working for the state in 1976 in various law-enforcement capacities. He came to the CHRB in 1986, and has since worked at almost every racetrack in California.



KEN KIRKMAN

In addition to his regular duties, Kirkman proctors the farriers test in Northern California.

Nancy Ross, executive secretary 1 at headquarters in Sacramento, also received a 25-year award for state service. She came to the CHRB in 1998 from the Department of Parks and Recreation, where she started as an office assistant in 1977.

Tom Cunningham, formerly an investigator with the Butte County District Attorney's Office, is a new senior special investigator at Cal Expo.

There are two new racing license technicians in the headquarters office. **Erica Anderson** previously worked as an administrative assistant in Santa Rosa. **Samantha Smith** was a library assistant at the San Jose Public Library.

Steve Saks, formerly vice president of information technology at a private firm, joined the Management Information Unit as an associate programmer analyst.

UPDATE

(Continued from page 3)

Licensees are required to wear their licenses in clear view after 10 a.m. (after working hours). Guards at all entrances are checking everyone who walks into the stable area and everyone in vehicles, driver and passengers. Owners and trainers must sign in guests who are not licensed.

CHRB investigators are meeting with racetrack management and security chiefs to discuss the possible installation of surveillance cameras at critical locations in stable areas.

CLENBUTEROL

The Board adopted a regulation adding clenbuterol to the list of therapeutic medications for which trace levels are permitted in post-race equine urine samples.

Clenbuterol now is permitted at a level not to exceed 5 nanograms per milliliter in an official post-race urine test. It is recommended that clenbuterol be administered at the level of 0.8 micrograms per kilogram of body weight, so that the urine concentration will be below 5 ng/ml by four days after the last drug administration.

Clenbuterol is the only drug approved by the Food and Drug Administration for equine use in the treatment of respiratory disease.

Dr. Ron Jensen, the CHRB equine medical director, discusses this and related matters in his column, located on page 5 of this issue.



JENSEN

(Continued from page 5)

tions were invited to the all-day workshop to determine if agreement could be reached on the need for a uniform policy for racehorse medication in the United States. Attendees agreed there should be uniformity across state lines in all jurisdictions and agreed to work toward that goal. They also agreed that development of scientifically based withdrawal-time guidelines and/or decision levels for certain therapeutic medications is a priority.

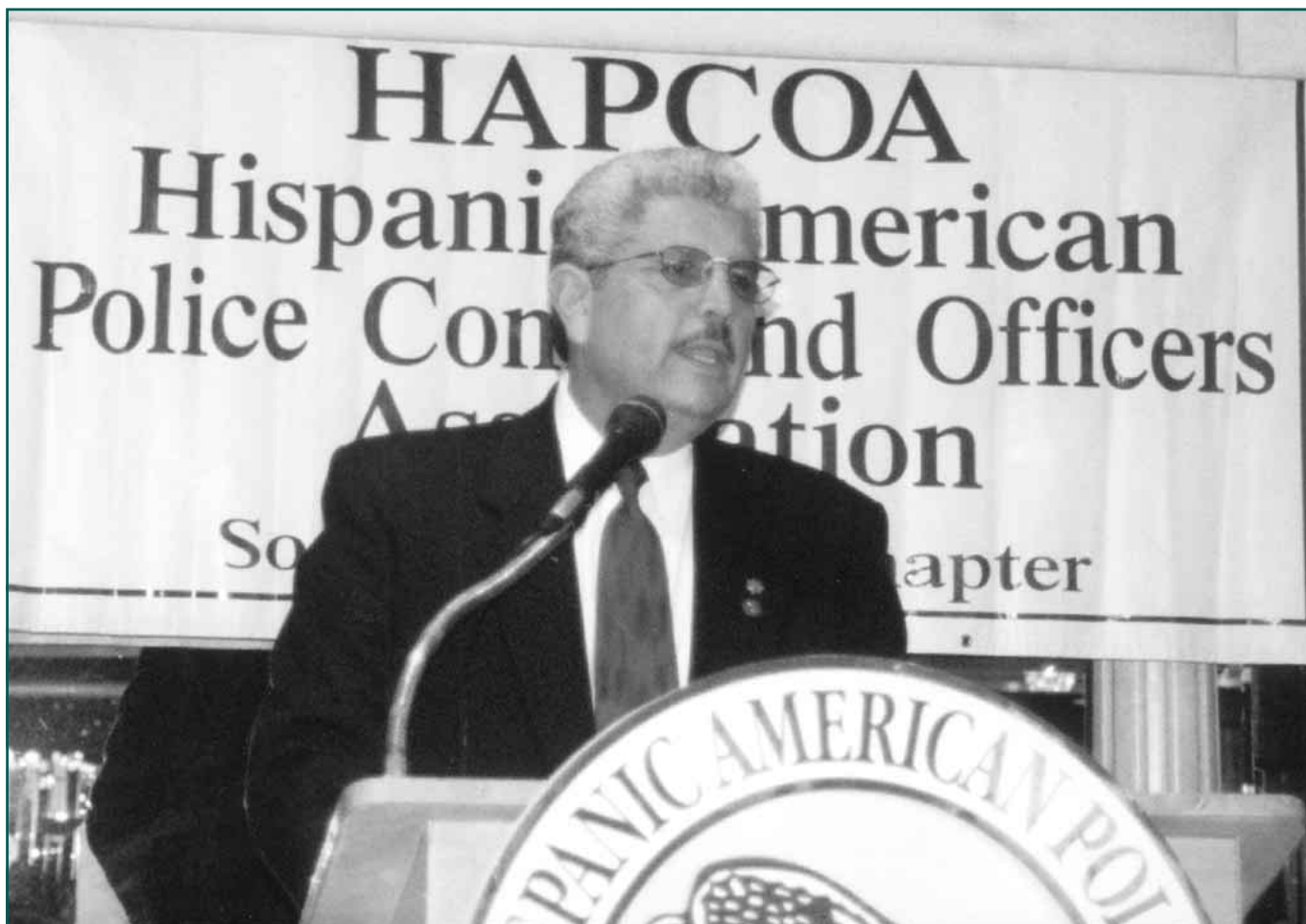
Similar discussions concerning uniformity and reporting (decision) levels are ongoing at the international level through The International Federation of Horse Racing Authorities, which is an organization of racing regulators from around the world.

Attempts at developing uniform medication rules and testing procedures are not new. The Association of Racing Commissioners International worked hard, but unsuccessfully, to accomplish uniformity through its Quality Assur-

ance Program in the late 1980s and early 1990s. McKinsey and Company, a consulting firm, issued a recommendation 10 years ago in its report to the racing industry on developing a national strategic plan for racing, but that was never implemented.

The success of the current movement toward uniformity of medication policies is in no way guaranteed. However, there does appear to be a greater understanding of the importance and the necessity of uniformity and a greater spirit of cooperation among the various racing entities. The ultimate success in establishing uniformity will indeed depend on the hard work and cooperation of all of racing's constituent groups.





Robert Nieto, chief investigator for the CHRB southern region, is the new president of the Los Angeles chapter of the Hispanic American Police Command Officers Association. He was installed during a January 19 dinner attended by Los Angeles County Sheriff Lee Baca, himself a HAPCOA member, and State Assemblyman Robert Pacheco. Nieto (above) stressed the need to expand the membership of the organization that was founded in 1973 and now includes representatives of local, county, state, and federal law enforcement agencies. Nieto replaced outgoing president Garry Couso-Vasquez, chief of the Montebello Police Department. Nieto joined the CHRB in 1991 after retiring from the LAPD and working six years with the State Lottery.

KELLY

(Continued from page 4)

We have also stepped in to help other charities when they could no longer provide assistance for one reason or another. That list would include the Don MacBeth Memorial Jockey Fund, the Winners Foundation, the Shoemaker Foundation, and the Racetrack Chaplaincy of America.

We would like to do even more to help both our four-legged and our two-legged friends in the thoroughbred industry, but that takes money. Both foundations welcome and encourage personal or corporate donations.

One of our major fund-raisers for The Jockey Club Foundation this year will be the Breeders' Cup Gala, which will be held the evening before the October 26 Breeders'

Cup in Chicago.

In 2002, our major fund-raisers for the Grayson-Jockey Club Research Foundation will consist of the Belmont Ball and the Belmont Stakes Festival golf tournament, both in June, and a couple of other golf tournaments during the summer Saratoga meeting.

I would respectfully urge you to consider one foundation or the other when you make your next charitable donation...especially now that you know which one is which.



Horse Racing Board last March, the 62-year-old racing commissioner has had plenty of opportunities to use his people skills. The issues facing horse racing are complex and the stakes are high. When he says no to people, he prefers to look them in the eyes and explain his reasons. And when he says yes, well, that's usually accompanied by a warm smile and a handshake.

We should also mention that he and his wife, Marie, have donated small fortunes to worthwhile causes in recent years, that he remains committed to helping improve other people's lives, and that he has a private telephone just for his grandchildren "in case they ever need to reach Grandpa for any reason." And oh, yeah, he once pitched to Mickey Mantle.

How could anyone not like this guy?

HOW 'BOUT THAT!

"After high school I pitched in the Florida Rookie League for a couple of years until I threw my arm out," said Bianco. "I threw against Mickey Mantle one time at Coco Beach. I wish I could say I struck him out, but the truth is that the outfield walls were made out of plywood in those days, and he hit the ball so hard that it never got more than six feet off the ground and it went right through the plywood."

Things have a way of working out for the best. Giving up baseball allowed Bianco to get off the road, settle down, marry Marie, and raise four children: Bill, Jr., Richard, Carol Ann, and Elizabeth.

They wound up in California in the late '60s, where Bianco found an entry-level job in a chemical production company. Although he did not have a formal education, he worked his way up to the position of head chemist.

"I took enough chemistry in high school to know the formulas and to know what not to mix together," he explained. "It turns out that chemistry and metallurgy run in our family. My grandfather was a chemical engineer. We did a family search a while back and discovered that many other members of our family were and are in these trades in Italy."

"Listen, if you don't give back, you haven't lived a full life."

William Bianco

In 1970, Bianco and two fellow workers formed their own company, Kinetic Systems Inc. One of their neighbors in Mountain View was a new high-tech company named Intel. It turned out that Intel needed services that Kinetic Systems had to offer. The two companies grew together.

"We were in the right place at the right time," said Bianco. "We got to know the Intel people. They needed some work done. The technology was new. We learned off of them; they learned off of us."

What precisely did Kinetic Systems do? Well, as we understand it, companies like Intel work with chemicals. For example, the creation of a silicon chip is a chemical process involving the growth of a crystal in an atmosphere of argon and helium. Kinetic Systems supplied the infrastructure—the containment system and chemicals—for this process and others. The company provided process systems for the semiconductor, biotech, pharmaceutical, and food industries.

EMPLOYEES FIRST

In those early days—before his partners retired and before company sales rose to \$500 million a year—Bianco knew every employee. He made a point to ask them about their families and to offer his help when they had problems. As the business grew and expanded into high-tech meccas like Mexico City, Israel, and Malaysia, he traveled constantly, but still he always took the time to talk to his employees.

Whenever employees and their families succeeded, he shared their joy, and when they suffered, he shared their sorrow. He felt these misfortunes so deeply—so sincere was his compassion—that eventually it all became too much for him.

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“My heart wasn’t in the business anymore,” said Bianco, “so I sold the company to my operating officer, Dave Shimmon, and under his leadership the company has continued to grow. Dave and I are good friends. We own horses together. I’m happy with the way things have worked out.”

Horses had to come into Bianco’s life at some point, given the way things started out. He has loved horse racing ever since he was a kid growing up in Mt. Vernon, New York, right at the Bronx border. One of his uncles was a pari-mutuel clerk at nearby Yonkers Racecourse, so Bianco and his friends got in free whenever they wanted.

LIVING HIS FATHER’S DREAM

“We lived in an ethnically mixed neighborhood,” said Bianco. “My father was Italian. My mother was Irish-German. The social clubs that our family belonged to each had its day at the races. Even the Catholic Church that I attended had a day at the races. People would save their money for those occasions. My favorite trip was to Monmouth Park in New Jersey. We would board the ferry at the 46th Street pier. Each deck had a kitchen, so people would cook ethnic foods. Those were some of the happiest days of my life.

“I’ve visited many of the racetracks around the country since then. When I was on the road playing baseball, if there was a racetrack nearby, I usually found time to go there.

“My father had a dream of owning a horse someday. That never happened, so I decided to live my father’s dream for him. I bought a yearling in 1997, then I claimed a couple of horses. That was the start.

“Dave Shimmon and I decided to buy some horses together. We developed a business plan. We decided to buy the proper bloodlines, so that we can eventually breed horses ourselves. We now have 36 horses, including a son of Hennessy (Stormin’ Heaven) and a son of Forest Wildcat (D’Wildcat).”

Bianco tries to see every race that his horses run, wherever they run. As he travels around the country and throughout California, he isn’t always pleased with what he sees.

“I always used to see crowds everywhere I went,” he said. “Now I go to Santa Anita on a weekday and see 500 or 600 people. It’s more than that, I know, but that’s what it looks like.

“What I like to see is a young crowd like the ones at Bay Meadows on a Friday night. They’re coming out and enjoying themselves, eating buck hot dogs, drinking beer, showing a lot of enthusiasm. They encourage me to believe that racing still has a bright future.

“I look around at the other commissioners on this Board, and I see people who care about racing and want to work to improve it. That’s encouraging, too, because I sit on some other panels where there’s not enough energy applied to what you’re committed to. We have a shot now to really revitalize the industry.”

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William Bianco

Not surprisingly, given his personal background, Bianco said his highest priority is people who work in the industry.

“I’m always looking to improve the quality not only of my own life, but also the quality of life of the workers and the people of the state where I’m living in,” he explained. “I know that things are a lot better now for the backstretch workers than they were just a few years ago, but we have to stay on top of it and make sure they maintain a higher quality of life.”

As a businessman, Bianco realizes that one way to improve the quality of life for Californians is to protect their interests.

“I’m a firm believer that revenue that’s generated here should stay here,” he said. “I want to make sure the State of California doesn’t get ripped off. One way to do this is to determine how something will benefit California. Will it create jobs? Will it generate tax revenue?”

Bianco sits on the CHRB Stewards Committee, which gives him direct contact with the individuals who oversee racing at each track.

“The stewards do a terrific job,” he said. “They receive too much criticism, in my opinion, and not enough attaboys when they do right. To me, it’s important to meet them and tell them they’re doing a good job.”

Bianco himself deserves a lot of credit for doing a “good job.” He is chairman of the Mechanical Contractors Association of America Foundation, and last year he received the Distinguished Service Award from that organization, as well as the Lifetime Achievement Award from the United Association of America and the Chairman Award from the San Jose Symphony. He also serves on the Board of Directors of the Santa Clara Valley Medical Foundation and the Joint Apprenticeship Training Committee of Local 393. He is a major benefactor to the San Jose organizations Children’s Interview Center, the Next Door Solution to Violence, and the Tech Museum of Innovation, and to Stanford University.

A little bit embarrassed about talking so much about himself, Bianco concluded his remarks by saying, “I’ve been lucky. Marie and I, we’re blessed. The good Lord gave us the means to repay society for what we’ve been blessed with. Listen, if you don’t give back, you haven’t lived a full life.”



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